# Why Every Franchise Should Pivot Right Now



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Amidst the chaos of our world right now, our instinct may be to hunker down, wait it out, and weather the storm — essentially, hit pause. But for business owners, and especially franchisors who have an entire network of partners to consider, hitting pause is the worst move to make. Now's the time to keep swimming to stay alive.

The way to do this is to quickly pivot. We're seeing this across every vertical in the franchise world: fitness studios are offering on-demand video workouts; dine-in restaurants are embracing technology to offer curbside pickup and delivery options; even paint-and-sip shops are offering DIY at-home

kits. These smart moves not only create new, much-needed revenue streams, but they keep customers engaged – and keep brands top of mind.

In addition to adapting your business model to suit this time, franchisors must also do the hard work of proactively and strategically cutting costs. Take a look at your financials and right-size non-essential line items. If software tools can be reduced, do it. If snack or water delivery to offices can be paused, do it.

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And, as painful as it may be, if there are staff positions that are redundant, consider furloughs or layoffs. It's not a move any business owner gets pleasure from, but in tough times, it may be the key to survival. Focus on retaining mission-critical roles and high-performing employees until your operation feels more stable.

Of course, the key to a successful franchise is growth, and as franchisors shift their business models, they must also tweak and adapt their development programs to keep selling, even as our economy has slowed down.

In April, I spoke with a VP of Franchise Development who sold eight territories *that week alone*, having initiated the hosting of virtual discovery days and remote interviews. This is an inspiring move to help the company's cash flow and advancement through this tough time. If you're sitting back on selling right now, you're handing opportunity to your competitors.

One thing is certain in this uncertain time: franchise systems are only as strong as their leadership. Those who implement these best-practice, proactive steps will not only survive through this downturn, but be positioned to thrive and pull ahead of the competition.

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For smaller and emerging brands, view this time as an opportunity to recruit top talent to the organization and strengthen corporate teams. For larger franchises, now's the time to reassess your team, and identify areas of improvement.

A few months ago, the many of talented candidates now on the market may have been inaccessible, or content at another company. Reach out, set up video chats, get the attention of covetable workers. Position your business to accelerate growth on the other side of this crisis.

And of course, franchisors, now is the time that you *must* help your franchisees. Schedule weekly meetings or lunch-and-learns, send regular updates about the state of the business. Communication is crucial, and supporting franchisees and making your office accessible ill instill confidence *and* enable franchisees to pivot and adapt with the corporate office's guidance. This can boost morale across the board at a time when it's needed most, which in turn will cultivate long-lasting benefits. (One of many indirect positive outcomes is that potential franchisees will have uplifting peer-to-peer referral conversations when considering buying in; existing franchisees will speak to how their executive team stood in solidarity with them and supported them through the industry's most challenging times.)

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As the country begins to reopen and recover, keep up with this support. Help franchisees negotiate pricing with vendors by leveraging the combined buying power of the system. Renegotiate favorable lease terms and move into prime retail locations that would've been either occupied by competitors or too previously too expensive.

And to remember that although each individual's situation is different and every franchise system has its own unique

challenges, as a community, we’re all stronger when we stand together. Be the helping hand everyone else needs and can learn from. Lean on each other’s own ideas and experiences to grow and advance collectively.

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